

Middletown Public Schools

Middletown, Rhode Island

Thursday, March 10, 2011

Michael S. Pinto Conference Room

6:00 p.m. Budget Workshop

Members Present:

Michael F. Crowley, Jr.

Theresa Spengler, Vice-Chair

Kellie DiPalma

William O'Connell

Member Absent:

Liana Fenton

Also Present:

Rosemarie K. Kraeger, Superintendent of Schools

Linda Savastano, Assistant Superintendent

Raquel Pellerin, Business Manager

Edward Collins, Facilities Director

Trish Martins, Special Education Director

Benjamin Scungio, School Department Attorney

The Budget Workshop was called to order at 6:03 p.m. In attendance were Attorney Benjamin Scungio, Councilman Antone Viveiros, Councilman Bruce Long, Steven Ruscito, Carol Lopes, and Lynn Dible, Mark Tanguay, and Deb Barrett from the Town Finance Office.

Attorney Scungio facilitated a presentation on Maintenance of Effort and Medicare funds. In 1992, the General Assembly passed RI GL 40-8-18, with intent to provide reimbursement for early and periodic screening, diagnosis and treatment services (EPSDT) through local education agencies for children who are eligible for medical assistance. Collaboration among DHS, RIDE and the LEA resulted in funds being used to maximize Federal funding for EPSDT services. These funds must supplement, not supplant, therefore, cannot be used in place of State or Federal aid. The Federal government reserves the right to audit at any time. Districts in violation would have to repay the funds or funds will not be issued in future years. You cannot bill more than one year back. An audit is completed by the Department of Human Services.

It was asked if there is a time frame to spend the funds. Attorney Scungio said that you do not have to spend the dollars in the following year. Mrs. McGrath commented that we can never predict the needs and services required of Special Education students.

The Town and the schools are in a difficult position. Mandates require schools to have programs and meet mandates regardless of

the funding.

School districts should first use State monies to fund staff positions. Parental consent is required to access Medicaid funds.

Actual reimbursement revenue must be recorded as of 2011 in UCOA General Fund and must be fully reconciled by June 30th. Attorney Scungio advises districts to take a small piece of the surplus and spread it over as many years as possible to have the minimal effect. Just because there is a surplus through Medicaid, you can't assume a district is overfunded.

(Minutes of March 10, 2011 Budget Workshop, Page Two)

An update was provided on the proposed FY 2011-2012 budget.

Recap Level I – Level I is the basic operational needs of the school department. There is a savings of 2% on Blue Cross/Blue Shield rates. The local Trust merged and we received better rates. Claims are also down. Delta Dental costs rose 3.68%. Disability insurance has doubled based on new assessment rates.

State of RI Unrestricted Educational Aid – The new reduction in State Aid is \$307,000. COZ is level funded and there is a slight reduction in all other areas. There are no revenue projections at this point, but there is a \$68,000 carryover of stimulus funds.

A \$36.7 million budget will be submitted to the Town Council. Middletown has lost approximately \$986,000 over last year in stimulus funds. A document needs to be presented to the Department of Education stating that we meet mandates.

MOTION: 1) Theresa Spengler, 2) Kellie DiPalma. To adjourn from the Budget Workshop at 8:44 p.m. Unanimous vote.

Respectfully Submitted,

**Rosemarie K. Kraeger
Superintendent of Schools**